

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Pace Post Office
Pace, Mississippi

Docket No. A2012-50

PUBLIC REPRESENTATIVE COMMENTS

(January 26, 2012)

Background

On November 3, 2011 the Commission received petitions for review of the Postal Service's determination to close the Pace, Mississippi Post Office. The petitions were from Robert LeFlore, Sr., Mayor, Curtissia W. Allen, and several other citizens of Pace, Mississippi¹ (Petitioners). Robert LeFlore, Sr. and Curtissa W. Allen also filed an Initial Brief.² On November 18, 2012 the Commission accepted the appeal and established a procedural schedule.³

Discussion

The Petitioners discuss several concerns, including the impact on elderly residents, the additional travel required by residents to conduct business at the Cleveland Post Office, potential theft from rural mailboxes, and the cost of erecting mailboxes. The Petitioners also suggest that the Pace Post Office reduce operating hours instead of closing the Pace Post Office all together.

¹ These citizens include: Clotee W. Washington (October 14, 2011); Vieta A. LeFlore (October 14, 2011); Christopher T. Hall (October 17, 2011); Linda W. Hall (October 17, 2011); Charles Walker (October 17, 2011); Robert LeFlore, Jr. (October 17, 2011); Arie Roland (October 19, 2011); Marie Washington (October 19, 2011); Ruthie Williams Hall (November 11, 2011); and a petition with 201 signatures received by the Commission on November 7, 2011.

² Initial Brief of Petitioners Robert LeFlore, Sr. and Curtiss W. Allen, January 17, 2012.

³ Notice and Order Accepting Appeal and Establishing Procedural Schedule, November 18, 2011 (Order No. 979).

In the Initial Brief filed by Robert LeFlore, Sr. and Curtissa W. Allen, they discuss several arguments, including the Postal Service failure consider communities close to Pace, race relations, impact on local businesses, costs to the community, and questions the Postal Service's economic savings calculations.

The Postal Service responded to the Petitioners' concerns on January 19, 2012⁴ in its Comments of the United States Postal Service.⁵ The Postal Service notes that residents can receive mail at their rural mailbox rather than travelling to another post office, purchase a PO Box at an alternate post office and purchase stamps from the rural carrier or through Stamps By Mail. Postal Service Comments at 6.

The Postal Service also explains that two concerns raised by the Petitioners were not considered in the administrative record: (1) the closure will place additional costs on taxpayers, and (2) the Postal Service should consider cutting hours instead of closing the Pace Post Office. *Id.* at 6. However, the Postal Service notes that "customers may not raise issues for the first time on appeal." *Id.* In response to the first concern that was not considered, the Postal Service states that it is not required to incorporate additional costs to customers in its calculation of economic savings. *Id.* In response to the second concern, the Postal Service concedes that cutting hours of operation rather than discontinuing operations is reasonable; however submits that suggestion was not brought up until the appeal, and therefore the Postal Service did not consider it in making its decision to close the Pace Post Office. *Id.* at 6-7. Rather than completely closing the Pace Post Office, the Public Representative believes the Postal Service should give consideration to keeping the Pace Post Office open and reducing operating hours.

The Public Representative is unable to verify the Postal Service's claim that two concerns raised by the Petitioners were not brought up during the duration of the study for discontinuance of the Pace Post Office, because the Postal Service has not included the comments submitted during the proposal posting period. In Item No. 38 of the Administrative Record (AR), the Postal Service states that no comments were received during the time the proposal to consolidate the Pace Post Office was posted. However,

⁴ The schedule in this docket was modified on January 9, 2012.

⁵ Comments of the United States Postal Service, January 11, 2012 (Postal Service Comments). The Final Determination (FD) can be found at Item No. 47 in the Administrative Record (AR).

in the Final Determination to Close the Pace, MS Post Office and Establish Service by Rural Route Service (FD), the Postal Service provides a summary of “additional concerns [that] were received during the proposal posting period.” FD at 2. The Final Determination clearly indicates that comments were received; therefore the Administrative Record is lacking key information.

Concerning economic savings, the Administrative Record indicates that there will be no additional costs for alternative replacement service. AR No. 17 at 2. However, the Postal Service does not file any support for this assertion. The fact that no additional costs associated with closing the Pace Post Office are assumed likely inflates any expected economic benefit that the Postal Service will realize by closing this office. In its comments, the Postal Service explains that the method it used to calculate cost savings is soon-to-be-outdated. Postal Service Comments at 15-16. However, it believes the replacement services will be small, and states that

Hence the calculation of savings, which the law does not require be precise or recoverable, allows but one conclusion about its sign (positive) and magnitude (tens of thousands of dollars annually). The analysis of the economic impact upon the Postal Service thus fully complies with all statutory and regulatory requirements. *Id.*

In its Comments, the Postal Service concludes, without calculation, that the additional costs incurred by the Postal Service associated with replacement services will be small based on its calculations of savings of other small post offices. *Id.* Since an accurate estimate of economic savings is not on the record, the Public Representative is unable to conclude that the Postal Service appropriately considered economic savings as a result of closing the Pace Post Office.

Conclusion

It is concerning that key information is missing from the Administrative Record, and that the Postal Service is using outdated and incomplete methods to estimate economic savings. The Public Representative concludes that the Postal Service has not adequately considered the requirements of 39 U.S.C. § 404(d). Therefore, the

Postal Service's determination to close the Pace Post Office and provide service by rural route delivery should be remanded for further consideration.

Respectfully Submitted,

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